========== Forwarded message ==========
From: CE PPR <ce-ppr@pspcl.in>
To: <secy@cercind.gov.in>, <shilpa@cercind.gov.in>
Cc: "SE PR "<se-pr@pspcl.in>, "se-isb2-ppr "<se-isb2-ppr@pspcl.in>, "Addl SE "<xen-isb2-ppr@pspcl.in>
Date: Wed, 21 Oct 2026 15:09:50 +0530
Subject: Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026.
========== Forwarded message ==========

With respect to the subject cited, the comments of PSPSL on the draft amendment are attached in the email. The same are submitted for your kind information please.

Regards

Chief Engineer/ PP&R,
PSPCL, Patiala

Comments/Suggestions on the Draft CERC (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026 (No. L-1/265/2022/CERC dated 21.09.2026) – Submission by PSPCL.

Punjab State Power Corporation Limited (PSPCL) welcomes the opportunity to submit its comments on the Draft Second Amendment to the Indian Electricity Grid Code, 2023. PSPCL supports the Commission's aims of grid security, efficient scheduling and market development. At the same time, PSPCL is concerned that some provisions may place additional financial liability on discoms for events that are not within their control.

PSPCL respectfully requests the Commission to follow the principle that financial consequences should follow causation and control. No distribution licensee should have to bear a cost caused by another entity, a system constraint or a system-operator direction.

Our specific suggestions are as follows:

Proposed Amendment / Regulation	PSPCL's Comments / Suggestions	Rationale & Financial Implications
Regulations 46(4)(a-i), (a-ii), (b), (b-i) and 47(2) to (2c) Unit Shut Down (USD). The generator informs the RLDC by 1430 hrs and may declare USD by 1600 hrs. Beneficiaries may keep a unit on bar by scheduling at least 50% of MCR, and the revised requisition becomes binding after 1530 hrs.	(a) PSPCL requests the Commission to restore the condition in para 63(j)(i) of its Order dated 05.10.2025, that a unit may go under USD only after the un-requisitioned surplus has been offered for sale in the day-ahead market under Regulation 49(1)(l). PSPCL also requests that the generator's declaration be published by the RLDC and that the net gains from the sale be shared with beneficiaries. (b) PSPCL requests that the Regulations clearly state that scheduling to keep a unit on bar is not an unconditional off-take obligation, and that the beneficiary will not be liable if the scheduled energy is not needed or used later. (c) PSPCL requests that the RLDC publish the beneficiary-wise shortfall by 1400 hrs and that beneficiaries get at least 2 hours to revise their requisitions. PSPCL also requests that beneficiaries who have already requisitioned at least the NAPAF level not be asked to schedule more. PSPCL further requests that a unit under USD can be revived during the day under Regulation 47(2d), subject to its declared start-up time and grid security.	The Order dated 05.10.2025 allowed USD only after an attempt to sell the surplus in the market. The draft leaves out this safeguard. A generator could therefore shut a unit, keep the full capacity charge and give up the market gains. EM para 2(d)(iii) says that no off-take obligation is proposed. However, draft Regulation 46(4)(a-ii) and (b) in effect require beneficiaries to schedule 50% of MCR in all blocks and give them only one hour to decide, creating an off-take obligation by the back door. This also conflicts with Regulation 49(1)(f)(iii), under which renewable energy is scheduled first and other sources follow in merit order. A discom may then have to buy costlier power or pay for idle units. The draft Regulations 46(4)(a-ii) and (b-i) use "50% of MCR". Regulation 45(12) of the IEGC 2023 and draft Regulation 47(2d) refer to the minimum turn-down level, which in the Principal Regulations is 55% of MCR

Proposed Amendment / Regulation	PSPCL's Comments / Suggestions	Rationale & Financial Implications
	(d) PSPCL proposes that a single defined term, "minimum turn-down level of the unit as certified by CEA/RLDC" may be used instead of "50% of the MCR", so that the USD trigger moves down as units are flexibilized towards 40%. This avoids unnecessary shutdowns and capacity charge on idle units. (e) PSPCL suggests that NLDC/ RLDCs publish a monthly report listing each USD event by station and unit, start and end, the ground (below threshold, SCUC decommit, or other), the beneficiary-wise schedule against entitlement, and the declaration of surplus sold.	or the lower level declared under CEA's flexibilization Regulations. A fixed 50% figure is inconsistent.
Regulation 47(2b) and 47(2)(c) Beneficiaries continue to pay the capacity charge on Total DC, including off-bar DC. If the only running unit of a station goes under USD, beneficiaries receive no power from it.	PSPCL requests that USD with capacity charge on off-bar DC be permitted only with these safeguards: (i) the prior-sale condition mentioned above; (ii) where all units of a station are under USD, the generator should offer alternate supply under Regulation 48 and share the net savings; (iii) off-bar DC should not exceed MCR less normative auxiliary consumption, as in cl. 5.9 of the DOP 2017, and should not earn any incentive; and (iv) net market gains should be credited to beneficiaries.	Beneficiaries pay the full capacity charge for a unit that is not generating and also have to buy replacement power. This is a double burden. The existing Regulation 47(2) required the generator to make supply arrangements, but the draft removes this. Since the capacity charge is protected and there is no DSM exposure, USD costs the generator nothing, and the number of events may keep rising.
Regulation 47(2d) Revival of a unit under USD. A unit that does not come on bar in the stipulated time is treated as under forced outage for DC.	PSPCL supports this provision. PSPCL requests that the "stipulated time" be the start-up time (cold, warm or hot) declared in advance on the basis of OEM data, and that it not be extended later at the generator's request. PSPCL also requests that every late revival be reported to the RLDC for DC and DSM accounting.	If start-up times are open-ended, the revival right loses its value and beneficiaries keep paying capacity charge for units that are not available.

Proposed Amendment / Regulation	PSPCL's Comments / Suggestions	Rationale & Financial Implications
Proposed new Regulation 47(2e) Costs payable on account of USD.	PSPCL proposes that a new Regulation 47(2e) be added in these words: "Save as provided in this Regulation and Regulation 70(G) of the Tariff Regulations, 2024, no charge or compensation, including for auxiliary power consumption, grid drawal or transmission charges, shall be payable by any beneficiary for a unit under USD or decommitted under SCUC, except as specified by regulations after previous publication."	Neither the draft nor the EM provides for auxiliary power or transmission charges of units under USD. Without a clear provision, these recurring costs, which have not been quantified, could be allowed through adjudication and passed on to beneficiaries.
Regulation 45(8), new proviso A thermal station may not declare peak-hour DC lower than off-peak DC, except in forced or partial outage. Otherwise the lower value is taken for fixed charges.	PSPCL supports this proposal. PSPCL requests that the generator give reasons, and the RLDC verify them, for each partial outage claimed. PSPCL also requests that such instances be published every month and that the rule apply to changes in declared capacity made during the day.	Availability during peak hours is very important for Punjab, especially in the paddy season. This rule will prevent beneficiaries from paying capacity charge for capacity that is not available at peak.
Regulation 45(16), definition 35a and Annexure-4 clause 2(d) Regulation of access for entities that default on payment. Interest on reactive energy charges from the due date.	PSPCL requests that: (a) a disputed amount pending reconciliation/adjudication should not automatically result in restriction of grid access, subject to applicable security/interim-payment arrangements; (b) adequate notice and opportunity to cure should be provided before access restriction; (c) where an amount is under bona fide dispute, interest should apply only as finally reconciled/adjudicated, rather than on an amount subsequently found to be incorrectly levied.	Restricting a discom's GNA contracts reduces the power available to consumers, including agricultural and other essential loads.
Regulation 30A and Regulation 59(5) to (7)	PSPCL requests that:	Mere coincidence between a beneficiary's deviation and a congested period should not, by itself, establish

Proposed Amendment / Regulation	PSPCL's Comments / Suggestions	Rationale & Financial Implications
Congestion charge, including for a wheeling region with simultaneous congestion.	(a) congestion charge be levied only where the entity's own deviation causes or increases congestion, and that deviations which relieve congestion, or are caused by RLDC/NLDC directions, SCED, SCUC, or transmission or generator outages, be exempted; (b) the ±20 MW limit proposed in NLDC's own draft procedure (EM para 14.5), which is missing in Regulation 30A(1)(b), be restored, or another limit be fixed after a study and consultation; (c) congestion charge and DSM charge not both apply to the same deviation, and the rate be fixed by the Commission after consultation. PSPCL does not recommend prescribing an arbitrary numerical threshold such as a fixed percentage of GNA/TGNA or a fixed MW quantity unless supported by a technical study and stakeholder consultation; (d) the method of sharing the charge among the entities of a State be specified; and (e) at least four time blocks' notice be given, with alerts on WBES.	liability. Charging "irrespective of direction" penalizes entities whose deviation actually relieve congestion, which is against Regulation 30A(1)(a). Charging both congestion charge and DSM charge for one deviation is double penalization and adds unbudgeted cost to power purchase. There should be safeguards against such double penalization for substantially the same event. Transmission outages, generator outages, system-operator directions, grid-security instructions and other events beyond reasonable control should receive appropriate exclusion/protection. The detailed methodology should undergo separate stakeholder consultation.
Regulation 25A (new) Scheduling of infirm power.	PSPCL requests that: (a) acceptance of infirm power remains at the buyer's option, and silence not create any liability other than the deemed refusal for sale to a third party; (b) deemed refusal apply only after a reminder and at least 10 days;	Seven days is short for a State utility that needs internal approvals. Non-response should not create any adverse financial or contractual consequence beyond the deemed refusal contemplated for sale to third parties. If the tariff is left to "mutual agreement" without a limit, the buyer may have to pay more than the market price. Where tariff is not specified in the PPA, a transparent and reasonable regulatory/market-linked methodology

Proposed Amendment / Regulation	PSPCL's Comments / Suggestions	Rationale & Financial Implications
	(c) where the PPA is silent, the tariff be limited to the lower of the contract energy charge and the day-ahead market price; and (d) no fixed or capacity charge be payable for infirm power.	may be evolved rather than leaving the matter entirely to mutual agreement. Availability of infirm power should not by itself entitle the generator to fixed/capacity charges.
Regulation 27(1)(e)(i) and (b-i) Declaration of COD and PPA conditions.	PSPCL proposes that the following be added: "Declaration of COD under these regulations shall be for grid operation and regulatory compliance only and shall not constitute COD under the applicable PPA or affect tariff, capacity charges, payment obligations, liquidated damages or other contractual rights, unless the PPA conditions are met." PSPCL also requests that the generator bear GNA, DSM and scheduling costs until supply under the contract begins.	PSPCL considers it essential to distinguish COD for grid-operation/regulatory purposes from COD under the PPA. Declaration of COD under IEGC should not, by itself, trigger tariff, capacity charges, payment obligations, liquidated damages, commencement of contractual supply or other contractual consequences unless PPA conditions for COD have been fulfilled. Such COD should not change PPA rights.
Regulations 21(1) and 22(3)(j) Trial-run notice is reduced from 7 days to 3 days. Extra time is allowed to prove rated capacity where there are transmission constraints.	PSPCL requests that: (a) the concerned beneficiary be given reasonable advance information and that trial-run scheduling/injection shall not create any mandatory off-take or payment obligation unless specifically provided in the applicable PPA.; (b) any trial-run power should be separately identified/ accounted for; (c) Where additional time is allowed to demonstrate rated capacity due to transmission constraints, such extension should not prejudice the beneficiary's contractual/regulatory rights or automatically entitle the generator to full fixed/capacity charges for capacity that cannot be delivered; (d) a distinction should be maintained between failure of the generating station to complete the trial run and delay in	The proposed flexibility for ESS and PSP is generally welcome. However, reduction of the trial-run notice period may create operational difficulties for beneficiaries planning power procurement and scheduling.

Proposed Amendment / Regulation	PSPCL's Comments / Suggestions	Rationale & Financial Implications
	certification, communication, evacuation readiness or other procedural action attributable to RLDC/CTU/SLDC/system operator or a transmission/system constraint after the successful trial run has actually been completed; and (e) Where the generating station has successfully completed the required trial run and the remaining delay is demonstrably attributable to the system operator, CTU, transmission/evacuation arrangements or another process outside the beneficiary's control, the beneficiary should not be exposed to additional deemed-generation, deemed-offtake, tariff, scheduling or contractual liabilities merely because the formal certification/communication was delayed.	
Regulation 48(3)(f) Alternate supply with the buyer's express consent, which may be a standing consent.	PSPCL requests that a standing consent be revocable on advance notice, that the generator disclose the source, quantity, tariff, losses and transmission charges in advance, and that the buyer's share of net savings be at least 50% unless the PPA provides otherwise.	This protects the buyer from an unagreed tariff or liability and still allows savings to be shared.
Regulation 45(17) and Annexure-8 Free power of State Governments from Central hydro stations.	PSPCL requests that the sale of free power not affect the beneficiary's contractual, GNA or transmission rights or create additional financial liability for the beneficiary. The State Government holding the free power bear its own DSM charges.	The waiver moves transmission cost on to other users, including discoms such as PSPCL.
Regulation 30(10) and (11), Annexure-3	PSPCL requests that the method for estimating reserves be published, that reserves already contracted be recognized, that double counting with ancillary services be avoided, that the way	Reserve obligations can have a large cost impact on State discoms, so the method and the cost recovery should be clear and open.

Proposed Amendment / Regulation	PSPCL's Comments / Suggestions	Rationale & Financial Implications
Reserve estimation and primary response of PSP/BESS.	costs are recovered be stated, and that no obligation apply retrospectively.	
General provision (proposed) System-operator directions and contractual rights.	PSPCL proposes a general provision that a beneficiary who follows a valid NLDC/RLDC/SLDC instruction in the interest of grid security will not face adverse financial consequences only because it deviates from its schedule, subject to the DSM Regulations. PSPCL also requests a clarification that these amendments do not override rights under existing PPAs, except where expressly required.	Financial consequences should follow causation and control.

PSPCL respectfully requests the Hon'ble Commission (i) to restore the safeguards on Unit Shut Down and not allow the pass-through of any cost that is not provided in the Tariff Regulations; (ii) to ensure that congestion charges are linked to cause and are not charged twice; and (iii) to protect rights under PPAs from grid-operation provisions such as COD and infirm power; (iv) to ensure that peak-hour availability is appropriately reflected in capacity/fixed-charge treatment; and (v) to ensure that a beneficiary is not made financially liable for delays or failures attributable to system operators, transmission arrangements or other events beyond its reasonable control.